



NOTICE TO BONDHOLDERS OF:

\$148,920,000
WEST VIRGINIA HOSPITAL FINANCE AUTHORITY
HOSPITAL REVENUE IMPROVEMENT BONDS
(THOMAS HEALTH SYSTEM, INC.)
SERIES 2008

***CUSIP: 956622XP4, 956622XQ2, 956622XR0, 956622XS8, 956622XT6, 956622XU3,
956622XV1, 956622XW9, 956622XX7, 956622XY5**

THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE REGISTERED AND BENEFICIAL OWNERS OF THE ABOVE BONDS. IF YOU RECEIVE THIS NOTICE AND ARE ACTING FOR A BENEFICIAL OWNER, PLEASE SEND THIS NOTICE TO THE BENEFICIAL OWNER(S) IMMEDIATELY.

Pursuant to a Bond Indenture dated as of June 1, 2008 (as supplemented and amended, the "**Bond Indenture**"), the West Virginia Hospital Finance Authority (the "**Authority**") issued \$148,920,000 in Hospital Revenue Improvement Bonds (the "**Bonds**"). The Bond Indenture is by and between the Authority and United Bank, Inc. as Trustee (the "**Prior Trustee**"). The proceeds of the Bonds were loaned pursuant to a Loan Agreement dated as of June 1, 2008 (the "**Loan Agreement**") to Herbert J. Thomas Memorial Hospital Association ("**Thomas**") and Charleston Hospital, Inc. ("**CHI**") and were used, among other things, to finance the alteration, additions and equipping of Thomas' and CHI's health care facilities.

To evidence the obligation to repay the loan, Thomas, CHI and Thomas Memorial and Saint Francis Hospitals, Inc., (the "**Foundation**" and, collectively with Thomas and CHI and with the Obligated Group Agent as described below, the "**Obligated Group**") executed and delivered three master promissory notes (the "**Notes**") to the Authority, which Notes were assigned without recourse by the Authority to the Prior Trustee, as Bond Trustee, and which Notes were issued pursuant to the Master Trust Indenture (as amended, supplemented, or modified from time to time, the "**Master Indenture**" and, together with the Bond Indenture, the "**Indentures**"), dated as of June 1, 2008, among Thomas and CHI, as members of the Obligated Group, and the Foundation, as a Special Member of the Obligated Group, and the Prior Trustee, as Master Trustee.

Pursuant to Supplemental Master Trust Indenture 2009-2 dated as of July 1, 2009, Thomas Health System, Inc. was joined as a Member of the Obligated Group and named to replace Thomas as the Obligated Group Agent (the "**Obligated Group's Agent**").

On September 4, 2018, UMB Bank, National Association succeeded the Prior Trustee as trustee under the Indentures (the "**Trustee**").

EVENTS OF DEFAULT

As you have been previously informed, the Obligated Group did not make the October 1, 2018 debt service payment on the Bonds as required by the Bond Documents. As a consequence of that failure the Prior Trustee withdrew \$5,648,816.03 from the Debt Service Reserve Fund to make the required debt service payment on the Bonds. The Obligated Group's failure to make the required debt service payment constitutes Events of Default under the Loan Agreement, the Indenture and the Master Indenture.

RETENTION OF CONSULTANTS

As you have been previously informed, the Obligated Group has retained consultants and other professionals to assist with maximizing operational performance and efficiencies, reducing costs and financial restructuring. The Trustee, at the direction of the holders of a majority in aggregate principal amount of the Bonds (the "Directing Bondholders"), each of whom are subject to a Non-Disclosure Agreement and are otherwise receiving material non-public information that restricts their ability to trade the Bonds, has retained the investment banking firm of Houlihan Lokey Capital, Inc. to evaluate the Obligated Group's strategic transaction alternatives and general strategic matters.

INDENTURE FUNDS

As of November 13, 2018, the Trustee holds the following Indenture Funds for the benefit of the Bondholders:

Interest	\$	5.89
Principal	\$	885.99
Debt Service Reserve	\$5,920,065.00	

RETENTION OF COUNSEL

The Trustee has retained the law firm of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. and specifically Colleen A. Murphy of that firm, to represent it in connection with general matters associated with the Bonds. The address for Ms. Murphy is Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., One Financial Center, Boston, Massachusetts 02111. Ms. Murphy's telephone number and email address are: (617) 348-1836; CAMurphy@mintz.com.

ADDITIONAL INFORMATION

Bondholders with specific questions may direct them to Lorna Gleason, Senior Vice President, Special Accounts, Corporate Trust Services, 120 South Sixth Street, #1400, Minneapolis, MN 55402, or by email to lorna.gleason@umb.com, or by telephone at (816) 213-4547. The Trustee may conclude that a specific response to particular inquiries from individual bondholders is not consistent with equal and full dissemination of information to all bondholders. Bondholders

should not rely on the Trustee as their sole source of information. The Trustee makes no recommendations and gives no investment advice herein or as to the Bonds generally.

November 13, 2018

UMB Bank National Association,
As Trustee

*Trustee is not responsible for selection or use of CUSIP. It is included solely for holder convenience.